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**Objectives**

**At the end of this presentation, you will be able to:**

- Identify which vehicles are taxed.
- Determine when taxable use begins.
- Determine the due date by which a taxpayer must report and pay tax for its use of heavy highway vehicle.
- Determine taxable gross weight for a heavy highway vehicle.
- Determine the rate of tax for a heavy highway vehicle based on the vehicle's taxable gross weight.
- Determine the person liable for the use tax for a heavy highway vehicle.
- Identify exempt uses of heavy highway vehicles.
- Determine when a credit or refund of highway use tax is allowed.
- Determine when proof of payment of the highway use tax is required.
- Determine what records must be kept by the taxpayer.

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**Heavy Highway Vehicle Use Tax Form 2290**

- Tax enacted in 1956 and its purpose is to build, maintain and improve the public highway system
- \$1 billion collected annually
- Highway Trust Fund
- 941,880 returns
- 3 million vehicles

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## Vehicles Taxed

- Highway Motor Vehicles
- Trucks and Tractors
- Generally, Class 7 and 8 vehicles
- Class 7 = GVW of 26,001 pounds to 33,000
- Class 8 = GVW Over 33,000 pounds

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## Example of Tractor (Front)



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## Example of Tractor (Back)



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### Tractor with Trailer



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### Vehicles Not Taxed

- Mobile Machinery – IRC Sections 4483(g) and 4053(8)
- Off-Highway Vehicles – IRC Section 7701(a)(48)

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Excise Revenue Agent Phase 1 Training

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### Vehicles Not Taxed

#### MME Crane



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# Vehicles Not Taxed

## MME Crane



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# Off-highway Dump Truck



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# Terms

GVW – Gross Vehicle Weight

- The maximum total weight of a loaded vehicle

GVWR – Gross Vehicle Weight Rating

- Is the maximum total weight of the vehicle as specified by the manufacturer indicated on a label affixed to the vehicle, on a sales invoice or agreement, or in manufacturer's advertisement.

GCW – Gross Combined weight

- The maximum total weight of a tractor-trailer combination

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## When Person Becomes Liable for Tax

Vehicle is registered or required to be registered in person's name and

First use on public highway for each taxable period

- Taxable Period July 1 thru June 30
- Used on U.S. public highway that is not a private roadway

**Taxable Gross Weight = 55,000 lbs. or greater**

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## Taxable Gross Weight

- Defined in IRC Section 4482(b) and regulation 41.4482(b)-1(b)
- Registrations issued based on gross combined weight of tractor-trailer
- State definition of gross combined weight may be the same as taxable gross weight

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## Taxable Gross Weight

The taxable gross weight of a vehicle (other than a bus) is the total of:

1. The actual unloaded weight of the vehicle fully equipped for service,
2. The actual unloaded weight of any trailers or semitrailers fully equipped for service customarily used in combination with the vehicle, and
3. The weight of the maximum load customarily carried on the vehicle and on any trailers or semitrailers customarily used in combination with the vehicle.

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**Taxable Gross Weight**

The weight declared for registering a vehicle in a state may affect the taxable gross weight used to figure the tax.

Where there is an International Registration Plan registration or IRP which requires a declaration of gross weight as a specific amount, the vehicle's taxable gross weight must be no less than the highest gross weight declared for the vehicle in any state.

If the vehicle is a tractor-trailer or truck-trailer combination, the taxable gross weight must be no less than the highest combined gross weight declared.



## Registration Cab Card

## ILLINOIS APPORTIONMENT IDENTIFICATION CARD

ILLINOIS SECRETARY OF STATE  
501 S. Second St. \* Springfield, IL 62756 \* 217-785-1800



FRM #	FLEET #	LICENSE #	DATE ISSUED	LICENSE EXPIRES
UNIT #	VIN	YEAR	MAKE	
TYPE	FUEL	TYPE OF CARRIER	WEIGHT GR #	SUPP
TR	D	HAUL FOR HIRE	80000	0
LESSOR NAME	IL WEIGHT	SHY #	USDOT	
	80000			

VOID IF ALTERED OR ERASED

THE VEHICLE DESCRIBED HEREIN HAS BEEN PROPORTIONALLY REGISTERED BETWEEN  
THE STATE OF ILLINOIS AND OTHER JURISDICTIONS SHOWN BELOW

AB 36288	AL 80000	AR 80000	AZ 80000
BC 36288	CA 80000	CO 80000	CT 80000
DC 80000	DE 80000	FL 80000	GA 80000
IA 80000	ID 80000	IN 80000	KS 80000



## Form 2290 Taxable Vehicle Weight

Category	Taxable gross weight (in pounds)	(1) Annual tax (vehicles used during July)		(2) Partial-period tax (vehicles first used after July) <i>(See the tables at the end of the separate instructions.)</i>	
		(a) Vehicles except logging*	(b) Logging vehicles*	(a) Vehicles except logging*	(b) Logging vehicles*
R	71,001 – 72,000	474.00	355.50		
S	72,001 – 73,000	496.00	372.00		
T	73,001 – 74,000	518.00	388.50		
U	74,001 – 75,000	540.00	405.00		
V	over 75,000	550.00	412.50		
<b>Totals.</b> Add the number of vehicles in columns (3)(a) and (3)(b). Enter the total here (this should be the same total of taxable vehicles shown on Schedule 1, Part I, line c. Add the amounts in column (4). Enter the total here and on Form 2290, line 2.					
W	Tax-Suspended Vehicles (See Part II on page 7 of the instructions.)				



## Taxable Gross Weight

If a highway motor vehicle is registered in at least one State that requires vehicles to register on the basis of gross weight and such vehicle is not registered in any State that requires a declaration of gross weight to be stated as a specific amount by the registrant, the taxable gross weight of such vehicle must fall within the highest gross weight category of such State for which such vehicle is registered during the taxable period



## Taxable Gross Weight

The next slide shows a state schedule for fiscal year registration fees due for a vehicle registered on the basis of a gross weight category.

It shows the gross vehicle weight categories for state registration purposes which is what we are going to focus on.

In this example, the vehicle's taxable gross weight, for Form 2290 filing purposes, must fall within the highest gross weight category for which the vehicle is registered in that state.



## Example of State Registration Fees

### FISCAL YEAR REGISTRATION FEES

All license plates below expire at midnight on June 30. Reduced part-year fees apply only to vehicles just purchased or recently brought into the state.

BUS, TRUCK, TRACTOR*	Gross Vehicle Weight	FIRST QUARTER July 1 - Sept. 30			SECOND QUARTER Sept. 30 - Dec. 30			THIRD QUARTER Dec. 31 - Mar. 30			FOURTH QUARTER** Mar. 31 - June 30		
		REG. FEE	COF.	TOTAL	REG. FEE	COF.	TOTAL	REG. FEE	COF.	TOTAL	REG. FEE	COF.	TOTAL
D	\$ 5,001-12,000	\$ 135	\$ 20	\$ 155	\$ 105	\$ 15	\$ 120	\$ 74	\$ 11	\$ 85	\$ 42	\$ 7	\$ 49
F	12,001-18,000	242	35	277	184	27	211	125	19	145	68	10	78
H	18,001-25,000	450	71	521	370	54	424	250	36	286	130	19	149
J	25,001-32,000	630	91	721	475	69	544	320	46	366	165	24	189
K	32,001-38,000	842	121	963	634	91	725	425	62	487	218	32	250
L	38,001-45,000	982	141	1,123	739	107	846	496	72	568	253	37	290
N	45,001-50,000	1,202	173	1,375	904	130	1,034	606	87	693	308	45	353
P	50,001-55,000	1,390	200	1,590	1,045	150	1,195	700	101	801	355	51	406
Q	55,001-60,000	1,538	221	1,759	1,156	166	1,322	774	112	886	392	57	449
R	60,001-64,999	1,698	244	1,942	1,276	184	1,460	854	123	977	432	62	494
S	65,000-69,999	1,830	263	2,093	1,375	198	1,573	920	133	1,053	465	67	532
T	70,001-74,999	1,970	283	2,253	1,480	213	1,693	990	143	1,133	500	72	572
V	75,001-79,999	2,294	330	2,624	1,723	248	1,971	1,152	166	1,318	561	84	645
X	80,001-84,999	2,522	377	2,899	1,959	283	2,242	1,316	189	1,505	603	86	689
Z	85,001-90,000	2,790	401	3,191	2,095	301	2,396	1,430	201	1,631	705	102	807

Form 2290 Taxable Vehicle Weight			
<b>J</b>	63,001 – 64,000	298.00	223.50
<b>K</b>	64,001 – 65,000	320.00	240.00
<b>L</b>	65,001 – 66,000	342.00	256.50
<b>M</b>	66,001 – 67,000	364.00	273.00
<b>N</b>	67,001 – 68,000	386.00	289.50
<b>O</b>	68,001 – 69,000	408.00	306.00
<b>P</b>	69,001 – 70,000	430.00	322.50
<b>Q</b>	70,001 – 71,000	452.00	339.00
<b>R</b>	71,001 – 72,000	474.00	355.50
<b>S</b>	72,001 – 73,000	496.00	372.00
<b>T</b>	73,001 – 74,000	518.00	388.50
<b>U</b>	74,001 – 75,000	540.00	405.00
<b>V</b>	over 75,000	550.00	412.50

**Totals.** Add the number of vehicles in columns (3)(a) and (3)(b). Enter the total here (this should be the same total of taxable vehicles shown on Schedule 1, Part II, line c). Add the amounts in column (4). Enter the total here and on Form 2290, line 2. ▶

<b>W</b>	Tax-Suspended Vehicles (See Part II on page 7 of the instructions.)
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 **Taxable Gross Weight**

If the vehicle is registered only in a State or States that base registration on actual unloaded weight, calculate taxable gross weight as discussed earlier under Taxable Gross Weight.

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## Tax Rate

- Defined in IRC Section 4481(a)
- Tax ranges from \$100 to \$550 based on the taxable gross weight for non-logging vehicles
- Prorated tax if first use occurs after July
- Increase in taxable gross weight during tax period requires amended return
- See page 2 of the Form 2290 for annual tax rate and Instructions for partial period tax rates

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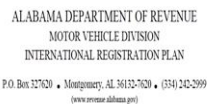
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## CAB CARD

REGISTRANT: MOTOR CARRIER SERVICES UNIT

**MOTOR CARRIER:** The Motor Carrier Responsible for Safety is expected to change during the registration period.

USDOT  
ADDRESSOWNER/LESSOR MOTOR CARRIER SERVICES UNIT

PLATE	TYPE	FUEL	UNIT	VIN	MODEL	AXLES	MAKE	UNLADEN WGT	COMBINED WGT
HHHHH	TR	D	121	XXXXXXXXXXXX	240	3	STER	2700	8000

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## Tax Suspension

- Vehicles (other than agricultural) driven 5,000 miles or less
- Form 2290 filed listing tax suspended vehicles – Category W
- Subsequent Form 2290 filed must verify vehicle was used less than 5,000 miles
- If 5,000 miles exceeded, tax is due.
- See Form 2290 & Instructions

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## Tax Suspensions, (Con't)

- Agricultural vehicles driven 7,500 miles or less
- Vehicle must qualify as an agricultural vehicle
- Form 2290 filed listing tax suspended vehicles – Category W
- Subsequent Form 2290 filed must verify vehicle was used less than 7,500 miles
- If 7,500 miles exceeded, tax is due.
- See Form 2290 & Instructions

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## Reduced Tax Rate

- Tax reduced 25% for logging vehicles
- Exclusively used during the tax period as a logging vehicle
- See Form 2290 & Instructions

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## Filing Requirements Heavy Highway Vehicle Use Tax

- Tax is a prepaid tax
- Tax period July 1 thru June 30
- Tax suspended vehicles
- Increase in taxable gross weight
- Credit for tax paid
- Report tax on used vehicle acquired and used during tax period

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## Filing Due Dates

IF, in this period, the vehicle is first used during	THEN, file Form 2290 and make your payment by...	and enter this date on Form 2290, line 1**
JULY	AUG. 31	YYYY07
AUGUST	SEPT. 30	YYYY08
SEPTEMBER	OCT. 31	YYYY09
OCTOBER	NOV. 30	YYYY10

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## Filing Due Dates

The filing deadline is not tied to the vehicle registration date.

Regardless of the vehicle's registration renewal date, taxpayers must file Form 2290 by the last day of the month following the month in which the taxpayer first used the vehicle on a public highway during the taxable period.

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## Year 1

Vehicle first used on February 15<sup>th</sup>,

Filing due date March 31

Coverage period February – June 30th

Use Partial Period Tax Table – Form 2290 Instructions

## Year 2

Vehicle used entire year

Filing due date August 31<sup>st</sup>

Coverage period July 1<sup>st</sup> – June 30<sup>th</sup>[illegible]

### Partial-Period Tax Table


- Table is used to determine tax for vehicles first used after July of the tax period



## Part I Figuring the Tax

Caution: If you purchased a used vehicle from a private seller, see instructions.

Caution: If you purchased a vehicle from a private seller, see instructions.		Y	Y	Y	Y	Y	M	M
Was the vehicle(s) reported on this return on sale public holidays during July 2019? If "YES," enter 2019(1) in the boxes to the right. If "NO," see table on page 3 of the instructions	1	2	0	1	9	0	7	
2. Add the Total from Form 2290, page 2, column (4)	2	\$2,750						
3. Total tax from increase in taxable gross weight (see instructions)	3	0						
4. Total tax. Add lines 2 and 3.	4	\$2,750						
5. Credits (Attach supporting documentation. See instructions.)	5	0						
6. Balance due. Subtract line 5 from line 4. This is the amount you owe. Check the applicable box if payment is through: EFTPS <input type="checkbox"/> Credit or Debit Card <input type="checkbox"/>	6	\$2,750						



### Credits and Refunds Heavy Highway Vehicle Use Tax

- Tax paid on vehicle
- Used 5,000 miles or less
- Credit or refund to person who paid the tax to the IRS

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### Credits and Refunds Heavy Highway Vehicle Use Tax

- Person A first uses an HMV in July
- Pays tax of \$550 – Used thru Sept
- Vehicle sold to Person B Oct 1 and used in Oct
- Person A – Refund of \$412.50
- Person B – Tax of \$412.50

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### Proof of Payment Form 2290 Schedule 1

- Report vehicles by VIN - taxed vehicles
- Report vehicles by VIN – tax suspended vehicles
- Proof of payment with State DMV
- 60-day rule
- See Form 2290 Schedule 1 & Instructions

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## Filing Form 2290

Submit Form 2290:

- E-file is required if reporting 25 or more vehicles. Recommended for all since Schedule 1 is available in minutes.
- Fill out and send paper Form 2290, available with instructions and address on IRS.gov.
- IRS Receipted Schedule 1 will be mailed back within 6 weeks.

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## Reasons to E-file

E-file your Form 2290 to:

- Receive your stamped / receipted Schedule 1 within minutes
- Save time
- Reduce errors

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## Form 2290 Information

- Trucking Tax Center link:
- <https://www.irs.gov/businesses/small-businesses-self-employed/trucking-tax-center>

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## Form 2290 Information

Detailed information and links at this site include:

- Important Form 2290 Reminders
- Links to Form 2290 and Form 2290 Instructions
- Computation of Tax Information
- Link to Form SS-4 (for EIN)
- Link to E-File Providers
- Link for Electronic Payment Information
- Instructions to obtain Schedule 1 Copies for Filed Returns
- Information on changes in vehicle status, credits and refunds

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## Objectives

**You are now able to:**

- Identify which vehicles are taxed.
- Determine when taxable use begins.
- Determine the due date by which a taxpayer must report and pay tax for its use of heavy highway vehicle.
- Determine taxable gross weight for a heavy highway vehicle.
- Determine the rate of tax for a heavy highway vehicle based on the vehicle's taxable gross weight.
- Determine the person liable for the use tax for a heavy highway vehicle.
- Identify exempt uses of heavy highway vehicles.
- Determine when a credit or refund of highway use tax is allowed.
- Determine when proof of payment of the highway use tax is required.
- Determine what records must be kept by the taxpayer.

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